

HOUSE BILL No. 1163

DIGEST OF INTRODUCED BILL

Citations Affected: IC 31-9-2; IC 31-16-22.

Synopsis: Regulation of private child support collectors. Provides that a private child support collector: (1) may not charge an obligee a fee that exceeds 25% of the support collected; (2) must set forth all fees and costs in a written contract; and (3) must allow an obligee to review and approve a proposed payment plan with an obligor.

Effective: July 1, 2006.

Summers

January 9, 2006, read first time and referred to Committee on Judiciary.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1163

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 31-9-2-85 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 85. (a) "Obligee", for
3 purposes of IC 31-16-16 **and IC 31-16-22**, means a person who is
4 entitled to receive a payment under a support order.

5 (b) "Obligee" or "petitioner", for purposes of the Uniform Interstate
6 Family Support Act under IC 31-18, has the meaning set forth in
7 IC 31-18-1-14.

8 SECTION 2. IC 31-9-2-86 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 86. (a) "Obligor", for
10 purposes of IC 31-16-15, ~~and~~ IC 31-16-16, **and IC 31-16-22**, means an
11 individual who has been ordered by a court to pay child support.

12 (b) "Obligor" or "respondent", for purposes of the Uniform Interstate
13 Family Support Act under IC 31-18, has the meaning set forth in
14 IC 31-18-1-15.

15 SECTION 3. IC 31-9-2-96.5 IS ADDED TO THE INDIANA CODE
16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2006]: **Sec. 96.5. (a) "Private child support collector", for**

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purposes of IC 31-16-22, means an individual, a corporation, a limited liability company, a partnership, or another legal entity that enters into a contract with an obligee to collect delinquent child support payments required by a child support order.

(b) The term does not include:

- (1) an attorney hired by an obligee to bring an action described in IC 31-16-12-1;
- (2) a Title IV-D agency; or
- (3) a private organization that enters into a contract with a prosecuting attorney under IC 12-17-2-18.5.

SECTION 4. IC 31-16-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 22. Private Child Support Collection

Sec. 1. (a) A private child support collector must set forth the terms and conditions of a proposed agreement for the collection of delinquent child support in a written contract. The contract must include the following disclosures:

- (1) The cost for the collection of delinquent child support by a Title IV-D agency.
- (2) All fees, charges, and costs, including administrative and application fees.
- (3) The right of the obligee to cancel the contract at any time.

(b) A private child support collector may not impose a charge or a fee on an obligee for cancellation of a contract under this chapter.

Sec. 2. A private child support collector may not impose a charge or a fee on an obligee, including costs, for the collection of delinquent child support that:

- (1) exceeds twenty-five percent (25%) of the amount of delinquent child support actually collected by the private child support collector; or
- (2) is collected by the obligee or by a person or entity described in IC 31-9-2-96.5(b).

Sec. 3. A private child support collector that contracts with an obligee for the collection of delinquent child support shall promptly provide the obligee with the following information upon the request of the obligee:

- (1) The source of each payment received from the obligor.
- (2) The form of each payment received from the obligor.
- (3) The:
 - (A) amount; and

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1 **(B) percentage;**
 2 **that is deducted as a charge or a fee from each payment of**
 3 **delinquent child support.**
 4 **(4) The amount of delinquent child support owed by the**
 5 **obligor.**
 6 **Sec. 4. (a) A proposed plan for the payment of delinquent child**
 7 **support between a private child support collector and an obligor**
 8 **must be:**
 9 **(1) provided to the obligee in writing before the payment plan**
 10 **may be executed; and**
 11 **(2) approved by the obligee before the payment plan may be**
 12 **executed.**
 13 **(b) A proposed payment plan provided to an obligee under**
 14 **subsection (a) must:**
 15 **(1) compute the amount of time to pay the total amount of**
 16 **delinquent child support under the terms of the proposed**
 17 **payment plan; and**
 18 **(2) be included in the written contract under section 1 of this**
 19 **chapter, if available.**
 20 **Sec. 5. A private child support collector who violates this**
 21 **chapter commits a Class A infraction.**

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